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October 9, 2013

By ECF

Honorable John Gleeson
United States District Court
Eastern District of New York
225 Cadman Plaza East, Room 727S
Brooklyn, NY 11201-1818

Re: *In re Air Cargo Shipping Services Antitrust Litigation*, MDL 1775

Dear Judge Gleeson:

We are writing on behalf of Plaintiffs' Co-Lead Counsel and Settling Defendants British Airways plc ("BA") and Lan Airlines, S.A., Lan Cargo S.A., and Aerolinhas Brasileiras S.A. ("Lan/ABSA") to advise the Court that, due to the possibility that the United States will default on its obligations after October 17, 2013, the parties agree that the funds in the opt-out escrow accounts established under the BA and Lan/ABSA settlement agreements should be deposited in cash for the remainder of this month rather than reinvested in Treasury Bills.

Pursuant to Paragraph 47 of the BA settlement agreement, as amended, and Paragraph 47 of the Lan/ABSA settlement agreement, as amended, all settlement funds, including opt-out escrow funds, "shall be invested in United States Government Treasury obligations or deposited in a federally-insured account or United States Treasury Money Market funds in an amount not exceeding \$150,000 or the limits of federal insurance, whichever is greater."

The BA and Lan/ABSA opt-out escrow accounts are currently invested in Treasury Bills maturing tomorrow, October 10, 2013. Under the terms of the settlement agreements, funds from those accounts may not be disbursed (either back to the settling defendants or otherwise) prior to the distribution date for the remainder of the settlement funds, which is contemplated to be October 28, 2013. (In accordance with the settlement agreements, the funds in the opt-out escrow accounts are not themselves being distributed to class members at this time. The Air Cargo 3 funds for which this Court has approved distribution are being transferred out of escrow to the Settlement Administrator in preparation for distribution to class members on October 28, 2013.)

Because of uncertainty as to whether Congress will raise the debt ceiling by the October 17, 2013 deadline for doing so, the parties do not believe that reinvesting the BA and Lan/ABSA opt-out escrow accounts in Treasury Bills for the remainder of this month would be the most prudent course. Nor is it possible to deposit the funds in a fully-insured account, as those ceased to be available after December 31, 2012. *See* 12 C.F.R. § 330.16. The parties therefore intend to deposit the proceeds of the Treasury Bills maturing tomorrow into a cash account held by the escrow agent.

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Given the timing, it would not be feasible to further amend the settlement agreements, with appropriate notice to class members, to address this scenario. We are therefore advising the Court of our intentions under the circumstances, and are of course available to answer any questions the Court may have or to discuss the matter at the Court's convenience.

Very truly yours,

/s/ Brent W. Landau

Brent W. Landau
Counsel for Plaintiffs

/s/ Amanda Davidoff

Amanda Davidoff
Counsel for British Airways plc

/s/ James V. Dick

James V. Dick
Counsel for Lan Airlines, S.A., Lan Cargo S.A., and
Aerolinhas Brasileiras S.A.